

January 23, 2018

TO: MR. GUILLERMO VALENCIA, CHAIRMAN, GNSCCPA

FROM: Luis E. Ramírez Thomas, President, RAI-N

SUBJECT: December Activity Report

On behalf of Ramirez Advisors Inter-National, LLC ("RAI-N") allow me to present our activity report to you and the Board of Directors of the Greater Nogales Santa Cruz County Port Authority ("GNSCCPA"). Before outlining the issues and efforts we have addressed on your behalf to date, we request and welcome your continued comments and suggestions as to how we can improve on our services and our communications and on our activities on your behalf. With your feedback, we will make every effort to improve our response to your needs and learn to better anticipate your directives.

Our activities on behalf of the GNSCCPA have focused on the following key areas:

1. **Donation Acceptance Program Update;**
2. **Cabotage Update and Arizona DES;**
3. **Website Update;**
4. **Axle Fee legislation;**
5. **AMC Selected as one of 2017 Leaders;**
6. **Cronkite News Article on Infrastructure and Staffing Challenges at POE's; and**
7. **Representation of GNSCCPA with Key Entities.**

This report is not intended to be a full description of all our activities but rather provides highlights and information on the direction of our activities to keep Board of Directors informed and to ensure that our activities adhere to the vision and guidance imparted to RAI-N by the GNSCCPA and its leadership. Throughout this period, RAI-N has maintained active and frequent communications with Ms. Allison Moore, Mr. Guillermo Valencia and various other members of the Board of Directors in order to ensure that we have a fully coordinated approach to our efforts. RAI-N stands ready to address any issue, concern or suggestion that may arise from this report and from our on-going dialogue with the leadership and the Board of Directors.

1. *DONATION ACCEPTANCE PROGRAM UPDATE*

- ✦ Dialogue between the GNSCCPA Technical Team and Customs and Border Protection and the General Services Administration continue with bi-weekly conference calls.
 - The Technical team is working with a local company to secure a competitive bid.
- ✦ **Reminder:** information provided is limited due to Non-Disclosure Agreement signed that prevents public disclosure of detailed information.

2. *CABOTAGE UPDATE AND ARIZONA DES*

- ✦ In response to the request for assistance from the Safe Border Trucking Alliance and recognizing the needs of industry for the efficient movement of cargo, and in partnership with the Office of Senator Jeff Flake, a meeting was held by the Chairman of the Transportation and Trade Corridor Alliance, John Halikowski and Michael Traylor, Director of the Arizona Department of Economic Security (ADES) to discuss ways in which state agencies could assist the visa application process for trucking companies.
- ✦ As a result of the meeting, ADES held an information meeting at the offices of the Fresh Produce Association in Nogales on December 8, 2017.
- ✦ During this meeting ADES explained the application process and responded to questions and comments from industry representatives.
- ✦ ADES remains committed to, in their part of the application process, process all applications in two weeks or less. It is still up to the US Department of Labor to provide the information to the US Department of State so that visas can be adjudicated. This is the part of the process that can take several months.

3. *WEBSITE UPDATE*

- ✦ RAI-N is working with Paula Schaper and board member Bracker to provide updated information for the www.Nogalesport.org web site.
- ✦ Such letters as those sent by the Port Authority in support of the Modernization of NAFTA and the TIGER Grant application by ADOT for the Modernization of SR-189, have been provided.

4. *AXLE FEE LEGISLATION*

- ✦ With the Arizona Department of Transportation acting as a Technical Advisor, the Port Authority has been working on drafting language for the necessary amendments to the statues and provisions for the existing axle fees assessed at the border.

- ✦ The Port Authority continues to work on this initiative and as soon as more information is available it will be provided to the Port Authority membership.

5. ***AMC SELECTED AS ONE OF 2017 LEADERS***

- ✦ The Arizona Capitol Times selected the Arizona-Mexico Commission (SMC) as one of the 2017 Leaders of the Year.
- ✦ The AMC is one of the principle advocates in Arizona and a partner of the GNSCCPA in many initiatives when it comes to the Arizona-Mexico relationship.

Arizona Capitol Times: 2017 Leaders Of The Year: Arizona-Mexico Commission

Note: The Arizona-Mexico Commission was recognized by the Arizona Capitol Times as one of more than two dozen individuals and groups advancing public policy in ways that positively affect the lives of Arizonans.

Staff

[Arizona Capitol Times](#)

12/18/2017

Despite the rhetoric emanating from Washington, D.C. on immigration and border issues, Arizona's leaders are acutely aware of the importance of not only maintaining, but also strengthening, U.S. ties with Mexico. After all, the two countries' fates are intertwined, something that is particularly true for Arizona and its neighboring state of Sonora.

Jessica Pacheco, the president of the Arizona-Mexico Commission, paraphrased Gov. Doug Ducey's words in noting that Arizona and Mexico are more than neighbors, as "neighbors can move."

"More than economic ties, our shared border gives us deep social and cultural alliances, as well," she said. Indeed, Mexico's success is Arizona's boon, and vice versa.

The commission promotes cross-border trade, and facilitates networking and sharing of information between the two nations. One of its immediate challenges following the passage of S1070 was gargantuan – help repair the two countries' soured relationship, something that Ducey immediately worked on.

"He recognizes that Mexico is far and away Arizona's largest trading partner. He likes to say times four – Mexico is 40 percent of our exports, and \$7.5 million is spent every day by our friends from Mexico in our restaurants, hotels and shops," said Glenn Hamer, president and CEO of the Arizona Chamber of Commerce and Industry. But Hamer said the state of that relationship also spills over beyond trade, into weighty subjects like water.

Today, Ducey and Sonora, Mexico Gov. Claudia Pavlovich Arellano enjoy a particularly robust relationship, which has been hailed as a national best practice in both countries.

6. *CRONKITE NEWS ARTICLE ON STAFFING AT POE'S*

- ✦ On December 4, 2017, Cronkite News published an article that includes quotes from Lance Jungmeyer of the Fresh Produce Association of the Americas and mentions a letter by the Arizona Border Counties Coalition that includes the Honorable Bruce Bracker, Santa Cruz County Supervisor.
- ✦ The article provides some great insights on the need for additional resources but fails to include the major wins by Arizona to have signing bonuses for those CBP officers that opt for an Arizona port, including a 35% signing bonus plus assistance in paying off student loans, among others.
- ✦ Additionally, the article makes no reference to the operational gains at the ports that have resulted in shortened border crossing times when compared to other ports of entry along the Texas, New Mexico or California border. Our border wait times in Nogales and other ports of entry in Arizona are far better than the wait times at other locations in other parts of the border.
- ✦ In a quote by Teresa Bravo from Pima County she makes reference to the need to do a better job of promoting the border region. This is an effort that is part of the dialogue between Senator Jeff Flake and Customs and Border Protection (CBP) to help in the recruitment efforts.
- ✦ A copy of the full article is provided in Attachment #1.

7. *REPRESENTATION OF THE GNSCCPA WITH KEY ENTITIES*

- ✦ Continuing efforts to maintain an on-going dialogue with various agencies to ensure full coordination of efforts and maximizing the impact of our limited resources, including, but not limited to:
 - ADOT;
 - AMC;
 - DHS/CBP;
 - GSA;
 - Offices of Arizona Congressional Delegation;
 - Office of the Governor;
 - SCT;
 - SIDUR;
 - State Department;
 - State of Sonora; and
 - Transportation and Trade Corridor Alliance.
- ✦ It is imperative to highlight the great success that has been achieved on these efforts by coordinating efforts with key stakeholders, including the FPAA, Santa Cruz County, the City of Nogales and others as each has well established relationships with most of these entities.

Attachment #1

Copy of Cronkite News article about infrastructure and staffing at ports of entry

BORDERLANDS (<https://cronkitenews.azpbs.org/category/borderlands/>)

Ports of entry in Arizona face infrastructure and staffing challenges



Mariposa Port of Entry in Nogales, Arizona. (Photo by Andrea Jaramillo Valencia/Cronkite News)

By Andrea Jaramillo Valencia | ([https://cronkitenews.azpbs.org?s=Andrea Jaramillo Valencia](https://cronkitenews.azpbs.org?s=Andrea+Jaramillo+Valencia)) **Cronkite News**
(<http://www.cronkitenews.azpbs.org>)

Wednesday, Dec. 6, 2017

PHOENIX – From a farm or a maquila in Sonora, Mexico to a supermarket store in Chicago, the journey of products coming from Mexico is a long, sometimes slow one. But according to border experts and officials, it's during customs inspections at the border where the process gets delayed the most because ports of entry are understaffed and their need for investment is often overlooked.

According to a 2016 Customs and Border Protection report ([https://www.dhs.gov/sites/default/files/publications/Customs and Border Protection - Resource Optimization at the Ports of Entry - FY 2016.pdf](https://www.dhs.gov/sites/default/files/publications/Customs%20and%20Border%20Protection%20-%20Resource%20Optimization%20at%20the%20Ports%20of%20Entry%20-%20FY%202016.pdf)) to Congress, CBP has 2,107 unfilled officer's positions, despite an increase of more than 30 percent of trucks with goods crossing from Mexico over the last decade, according to data from the Bureau of Transportation Statistics.

In Arizona, the Tucson sector has over 20 percent of unfilled positions, according to a letter the Arizona Border Counties Coalition sent to the state's Congressional Delegation in August.

"(Ports of entry) have been significantly neglected by both the U.S. and Mexican federal governments. This is one of those things that's almost too big to see," said Erik Lee, executive director of the North American Research Partnership, which is based in Arizona.

Ports of Entry in Arizona face infrastructure and staffing challenges | Cronkite News

The lack of staff and investment in technology and modernization of the ports of entry has led to longer waiting times during crossings, which ultimately hurts businesses and tourism, according to Lee and the Fresh and Produce Association of the Americas.

“You get a depressed shopping environment in local border communities, and on the commercial side, you have these long border wait times (that) potentially hurt transportation, manufacturing and agricultural companies,” Lee said.

According to Lance Jungmeyer, president of the Nogales-based Fresh Produce Association of the Americas, ports of entry are in need of more agricultural inspectors, but they are usually not the priority for hiring and investment efforts.

“The agriculture specialists are a huge part of the puzzle,” Jungmeyer said. “The staffing need for this area has been ignored, while border patrol has been staffed up.”

According to CBP’s report, there is a need for 631 agriculture specialists nationally.

Jungmeyer said certain fruits and vegetables, particularly the ones that have many leaves or places where bugs can hide inside, require a lot of time of inspection.

“What happens is, the trucks that need to be inspected, just stack up and they’re waiting there longer,” Jungmeyer said.

The longer the wait, the less fresh the produce is, particularly during the summer, according to Jungmeyer.

“When we’re not able to get the produce across in order to match up with the customer expectations, that’s a problem that certainly disadvantages us,” he said.

During peak season, which is from February to April, there are approximately 1,800 trucks crossing through Nogales a day, Jungmeyer said.

Customs and Border Protection in Tucson did not respond to several requests for comment about the staffing and investment needs at their ports of entry.

However, according to the letter written by the Arizona Border Counties Coalition –which was signed by Cochise County Supervisor Patrick Call, Pima County Supervisor Sharon Bronson, Santa Cruz County Supervisor Bruce Bracker and Yuma County Supervisor Tony Reyes – “the need for infrastructure improvements and additional CBP staffing at the ports of entry are critical concerns.”

It also says the DeConcini Port of Entry “needs modernization to facilitate the growing volume of daily crossings,” the Douglas Port of Entry is “in desperate need of investment,” and the San Luis I Port of Entry “has not had significant investments in over 30 years.”

Rep. Raul Grijalva’s office said in a written statement to Cronkite News that “Updating and modernizing our infrastructure at ports of entry is a necessary investment not only for our state but also for the millions of constituents who benefit from it. To continue to militarize our border by focusing solely on enforcement mechanisms is a great disservice.”

But lack of investment is not the only challenge the Arizona ports of entry face.

Experts say it’s difficult to hire for CBP officer positions because the border is not very attractive to potential workers, and the process of getting hired takes about a year.

Ports of Entry in Arizona face infrastructure and staffing challenges | Cronkite News

“A lot of these folks are married and their spouses want to work, and they have a very difficult time finding jobs in these small communities,” Lee said.

Teresa Bravo, economic development & international projects coordinator at Pima County, said she met with several CBP officials from D.C. who told her “they’re having a really hard time recruiting.”

“They’re trying to work on a marketing plan to kind of sell the state better and say ‘there’s actually all these things happening,’” Bravo said.

“It is a hard job,” Lee said. “It has long periods of boredom punctuated by a lot of excitement, that’s very stressful. It’s a difficult job, no matter how you look at it.”

But Lee thinks there are not so expensive solutions that can be put in place without the need for large investments.

According to Lee, improving “trusted traveler and shipper programs,” which pre-approve eligible “low-risk” travelers through background checks, could help mitigate some of the logistics problems.

Still, both Lee and Jungmeyer believe there is a need for congress to know more about the importance of the role that ports of entry play in border security, shifting from the almost exclusive focus they give to border patrol.

“It’s just a matter of educating congress,” Jungmeyer said. “When you talk about border security, trade, you also have these subset of officers that are very important.”

“Kind of a feel of the border in the national capital is that it is not altogether positive,” Lee said.

“Both countries have thought of it mostly as a security concern, rather than as a trade and an economic development opportunity, which it also is.”

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